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Organization: Northwest Hydroelectric Association
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Comments: The following text was copy/pasted from an attached letter. The system cannot display the formatting, graphics, or tables from the attached original.

December 16, 2019

ELECTRONICALLY SUBMITTED VIA USDA.GOV

Alaska Roadless Rule

USDA Forest Service

P.O. Box 21628

Juneau, AK 99802-1628

www.fs.usda.gov/project/?project=54511

RE: Docket No. FS-2019-0023; Northwest Hydroelectric Association Comments on USFS[rsquo]s Proposed Rule to Exempt the Tongass National Forest from the 2001 Roadless Area Conservation Rule, 84 Fed. Reg. 55,522 (Oct. 17, 2019)

To Whom It May Concern:

The Northwest Hydroelectric Association (NWHA) and its members appreciate this opportunity to provide comments on the U.S. Forest Service[rsquo]s ([ldquo]Forest Service[rdquo]) Notice of Proposed Rulemaking ([ldquo]NOPR[rdquo]) to exempt the Tongass National Forest from the 2001 Roadless Area Conservation Rule. NWHA and its members applaud the Forest Service[rsquo]s renewed attention to the impacts of the Roadless Rule on the people and communities of southeastern Alaska, particularly hydropower development, and we welcome the proposal intent to alleviate those impacts through the proposed exemption.

For several years now, the Roadless Rule has substantially increased the costs and difficulty of providing efficient, reliable electricity to Alaska residents, with the result that the area continues to rely unnecessarily on forms of energy with a higher environmental impact. The NOPR is an important step towards remedying this situation, and NWHA and its members support the exemption of electric utility systems in roadless areas, which could be accomplished under Alternatives 2, 3, 4, 5, or 6 of the Draft Environmental Statement (Draft EIS). In particular, the Forest Service should ensure that its chosen alternative clearly exempts tree-cutting and road-building necessary for development, maintenance, and operation of hydroelectric power generation, as well as efficient routing of transmission lines.

Background

NWHA is dedicated to the promotion of the Northwest region[rsquo]s waterpower as a clean, efficient source of energy, while protecting the fisheries and environmental quality that characterize our Northwest region. NWHA[rsquo]s membership represents all segments of the hydropower industry: public and private utilities; independent developers and energy producers; manufacturers and distributors; local, state, and regional governments including water and irrigation districts; consultants; and contractors. NWHA[rsquo]s membership

includes companies with facilities or projects in Alaska, including southeastern Alaska and the Tongass National Forest; as a

result, NWHA has collective experience of the impact of the Roadless Rule on economic development and environmental quality in southeastern Alaska.

Unlike many other areas of the United States, southeastern Alaska enjoys geographic and climatological resources that provide opportunities for efficient, sustainable hydroelectric power generation. To date, the region has successfully put some of these resources to use for its residents. But significant opportunities remain untapped.

Costs of the 2001 Roadless Area Conservation Rule

The Draft EIS states that [ldquo][h]ydropower projects are not prohibited in [Inventoried Roadless Area]s on the Tongass.[rdquo] The Draft EIS further claims that [ldquo][n]o significant consequences related to energy projects and related infrastructure are anticipated for any of the [six] alternatives[,][rdquo] in part because [ldquo][r]emoving roadless designations . . . would simplify the process for projects but would not necessarily result in an increase in the number of projects developed.[rdquo] NWHA respectfully suggests that these statements misunderstand the practical effects of the 2001 Roadless Rule on the evaluation and development of hydroelectric generation in southeastern Alaska. The Roadless Rule significantly inhibits four necessary conditions of hydropower resource development.

First, the Roadless Rule increases the cost of gathering data to plan and design new projects. Siting a hydropower project requires thorough analysis of hydrologic, geologic, topographic, and geophysical conditions in the candidate areas. Siting analysis might require, for instance, the use of heavy drilling equipment to take geologic borings. The candidate sites might occur far from existing road developments, and the inability to remove trees or build roads to the site often requires the use of costlier transportation over water for supplies and equipment. Given the size of the equipment, simply moving the heavier equipment around the site requires the use of helicopters rather than conventional vehicles. The additional costs from these marine and aviation arrangements may as much as double the cost of siting analysis in roadless areas.

Second, the Roadless Rule increases the cost of the environmental analysis for proposed projects. As the Draft EIS acknowledges, hydropower projects[mdash]even those not licensed by the Federal Energy Regulatory Commission[mdash]are routinely subject to significant environmental review in the process of securing state or federal authorizations. Completing those reviews necessitates the collection of extensive information on local environmental resources and quality. As with siting analysis, the inability to remove trees and create new roads means that supplies and personnel must arrive by air or water; the lack of roads also means that technical personnel must often remain at temporary camps in the area and/or gather data on foot. Again, as with the siting analysis, the additional costs created by these logistical difficulties can as much as double the cost of environmental analysis of a new project.

Third, the Roadless Rule increases the cost of building new projects. Even relatively modest hydropower sites are nonetheless significant and technically challenging construction projects, and construction becomes a much more complicated task when roads are not available. Getting equipment to the construction site can require movement by boat, as explained above, and that equipment must often remain at the site longer (at additional cost) due to the difficulty of returning it. The increased reliance on marine transportation itself can require construction of

substantial docking facilities to support the volume of equipment, personnel, and supplies moving to the site. Camps are also needed to store supplies and support personnel who cannot feasibly transit in and out of remote construction sites; these ancillary sites require their own investments. Weather delays may shut down or severely delay the non-road methods of transportation even when roads might still have been open. Even existing projects may be decommissioned more quickly as logistical difficulties increase their operational and maintenance costs.

Fourth, the Roadless Rule increases the cost of developing transmission infrastructure. Even if a hydroelectric generation facility can be built, roadless areas can still prohibit effective development and maintenance of supporting transmission infrastructure. The Draft EIS notes that the Kake to Petersburg Intertie (KPI) project was approved in an Inventoried Roadless Area in 2016. But this project is in fact a perfect example of the Roadless Rule[rsquo]s impact. The per-mile construction costs for KPI segments requiring helicopter support exceeded $1 million, nearly $400,000 more per mile than segments with road access. Delays in the project, some of which relate to road access, have indefinitely stalled the project. And the KPI segment costs are relatively moderate; per-mile construction costs for the Swan-Tyee Intertie project have exceeded $2 million in areas requiring helicopters. Even maintenance of transmission rights-of-way can require helicopter support in roadless areas, sometimes at costs up to $2,000 per hour.

Contrary to the passing statement in the Draft EIS, these increased costs can be individually or collectively relevant to the [ldquo]number of projects developed.[rdquo] The time required to plan, permit, and complete projects of this scale is an important consideration for project sponsors and on par with direct outlays. All costs, moreover, are foundational to establishing net benefits of the project; as costs increase across the industry, some projects will no longer be worth pursuing. NWHA urges the Forest Service to attend closely to the challenging economics of hydropower opportunities in its selection of an alternative in the final rule.

Lost hydropower opportunities have real consequences for southeast Alaska communities. Hydroelectric generation is predictable, reliable, and renewable, and it provides both quality employment and cost-effective energy to the region. Affordable, clean energy is a foundational element of economic development in the region. That development, in turn, slows migration out of the region by providing residents with greater opportunity.

The only feasible alternative source of generation to hydropower in southeast Alaska are diesel-fired generating units. No sources of renewable energy can be developed with sufficient speed or sufficient scale to compete with these units across the region; this is most apparent from the community of Kake, which continues to rely on diesel as the KPI awaits completion. While diesel certainly plays an important role in Alaska[rsquo]s fuel mix, it is a non-renewable resource subject to potentially supply constraints and price volatility. Heavier reliance on diesel generation will also increase the need to transport diesel fuel by ship, barge, truck, rail, or pipeline. Transporting diesel requires direct expenditures of its own, and it also requires, in most instances, additional emissions. The greater volume of fuel moved across southeast Alaska also increases the risk of a spill or other accident. While infrequent, the impacts of fuel spills are large and have lasting effects on Alaska communities.

Alternatives Selection and Exemption Language

Given the impacts of the Roadless Rule described above, NWHA urges the Forest Service to adopt one of the Alternatives that supports the development of new hydropower generation as well as the maintenance and operation of existing hydropower resources.

The Forest Service[rsquo]s Draft EIS and NOPR consider six distinct alternatives. NWHA supports Alternative 6, a full exemption, as the surest means of ensuring an affordable energy supply and economic opportunity for southeast Alaska. Alternatives 2 through 5 each provides some lesser scope of exemption predicated primarily

on the amount or location of timber harvest desired. While timber is an important consideration, NWHA urges the Forest Service to preserve an exemption for roads necessary to hydropower planning, construction, operation, and maintenance, including transmission, regardless of the alternative ultimately selected.

The Forest Service should therefore include in its final rule the type of exemption language proposed at [sect] 294.52(c)(9) and [sect] 294.54(c)(7) for any alternative. NWHA suggests, however, that the proposed language for [sect] 294.54(c)(7) be amended to include [ldquo]site evaluation[rdquo] and [ldquo]planning[rdquo] in addition to [ldquo]construction, expansion, utilization, or maintenance[rdquo] of public utility systems. Similarly, NWHA recommends that the proposed [sect] 294.52(c)(9) be amended to include [ldquo]site evaluation[rdquo] and [ldquo]planning in addition to [ldquo]construction, expansion, or maintenance[.][rdquo]

Notably, while the Forest Service[rsquo]s current proposal is focused on the Tongass National Forest, NWHA notes that the considerations identified above regarding the development and maintenance of hydropower resources are equally relevant to the Chugach National Forest, and would encourage the Forest Service to consider extending an exemption from the Roadless Rule to the Chugach as well in a subsequent rulemaking.

As the Forest Service has recognized, [ldquo][h]ydropower will continue to be an important source of energy . . . in Southeast Alaska[,][rdquo] and the agency[rsquo]s final rule should fully reflect that understanding. Again, NWHA and its members appreciate this opportunity to comment on the NOPR, and NWHA would welcome further discussions with the Forest Service as the agency considers its alternatives.

Sincerely,

[signature]

Brenna Vaughn, Executive Director

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